

Message Text

CONFIDENTIAL

PAGE 01 ANKARA 05938 180736Z
ACTION EUR-12

INFO OCT-01 ISO-00 CIAE-00 DODE-00 NSAE-00 NSCE-00
SSO-00 ICAE-00 INRE-00 SP-02 AID-05 EB-08 TRSE-00
SS-15 STR-07 OMB-01 CEA-01 COME-00 FRB-03 INR-10
XMB-02 OPIC-03 LAB-04 SIL-01 DOE-15 SOE-02 IO-13
/105 W

-----021244 180738Z /11

O 180415Z AUG 78
FM AMEMBASSY ANKARA
TO SECSTATE WASHDC IMMEDIATE 3016
INFO AMCONSUL ADANA
AMCONSUL ISTANBUL
AMCONSUL IZMIR
AMEMBASSY ATHENS
AMEMBASSY NICOSIA
AMEMBASSY PARIS
AMEMBASSY BRUSSELS

C O N F I D E N T I A L ANKARA 5938

USEEC, USOECD

E.O. 11652: GDS
TAGS: EFIN, IMF, TU
SUBJECT: PRESS REPORTS THAT TURKEY WILL TIE LIRA TO SDR

REF: ANKARA 5714

1. YALCIN DOGAN, CUMHURIYET REPORTER WITH UNUSUALLY GOOD CONNECTIONS AT MINISTRY OF FINANCE, REPORTED AUGUST 18, THAT FINANCE MINISTER ZIYA MUEZZINOGLU WILL PROPOSE TO IMF IN WASHINGTON THAT TURKISH LIRA, AS DOGAN DESCRIBED IT, FLOAT WITHIN A BAND AROUND IMF'S SPECIAL DRAWING RIGHT (SDR). ARTICLE SAID THAT A COMMUNIQUE WILL BE PUBLISHED IN OFFICIAL GAZETTE IN NEXT FEW DAYS ANNOUNCING THE LIMITED FLOAT AND THE DISENGAGEMENT OF THE LIRA FROM THE DOLLAR TO WHICH IT HAS BEEN
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 ANKARA 05938 180736Z

PEGGED SINCE THE BRETTON WOODS AGREEMENT. MAXIMUM AND MINIMUM LIMITS WILL BE ESTABLISHED FOR THE VALUE OF THE LIRA AGAINST THE SDR. EMBASSY HAS BEEN UNABLE TO CONFIRM THIS STORY.

2. COMMENT. IF THE ACCOUNT IS TRUE, IT COULD MEAN THAT MR. MUEZZINOGLU HAS GONE TO THE IMF WITH A PROPOSAL THAT HE

HOPES WILL BREAK THE DEADLOCK BETWEEN THE FUND AND THE GOT. TURKS PERCEIVE THE MAJOR OBSTACLE TO DISBURSEMENT OF THE SECOND TRANCHE AS THE ISSUE OF DEVALUATION, ACCORDING TO AYSEL OYMEN, DIRECTOR GENERAL OF THE TREASURY FOR FOREIGN FINANCING (REFTEL). SHE TOLD EMBOFFS THAT IMF HAD MADE A DEEP DEVALUATION A PRECONDITION OF A SECOND TRANCHE DRAWING.

3. IMF, HOWEVER, HAS HAD OTHER COMPLAINTS BEYOND THE EXCHANGE RATE TO MAKE ABOUT TURKISH ECONOMIC PERFORMANCE. EVEN IF MUEZZINOGLU PRESENTS A SATISFACTORY EXCHANGE PROPOSAL INCORPORATING A DEVALUATION OF THE DEPTH REQUIRED BY THE IMF, THE FUND MAY STILL FEEL THAT THE EXISTING STANDBY AGREEMENT, IN THE LIGHT OF DETERIORATION THAT HAS OCCURRED SINCE IT WAS MADE, HAS BECOME OBSOLETE AND REQUIRES RENEGOTIATION. MUEZZINOGLU MAY HAVE GONE TO WASHINGTON IN THE EXPECTATION THAT HE COULD BUY THE SECOND TRANCHE WITH AN EXCHANGE PROPOSAL ALONE. HE MAY BE DISAPPOINTED.
DILLON

CONFIDENTIAL

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: REPORTS, FINANCIAL STABILITY, LIRA, FOREIGN EXCHANGE RATES
Control Number: n/a
Copy: SINGLE
Draft Date: 18 aug 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978ANKARA05938
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Expiration:
Film Number: D780337-1079
Format: TEL
From: ANKARA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t19780846/aaaablse.tel
Line Count: 80
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: a441e360-c288-dd11-92da-001cc4696bcc
Office: ACTION EUR
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: 78 ANKARA 5714
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 20 may 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 1686955
Secure: OPEN
Status: NATIVE
Subject: PRESS REPORTS THAT TURKEY WILL TIE LIRA TO SDR
TAGS: EFIN, TU, IMF
To: STATE
Type: TE
vdkgvwkey: odbc://SAS/SAS.dbo.SAS_Docs/a441e360-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014